

Senate Study Bill 3261

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the definition of retail sale under the sales
2 and use taxes to include separate charges for paint and other
3 vehicle body materials used during a motor vehicle collision
4 repair.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 5624XC 82
7 mg/sc/5

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1 1 Section 1. Section 423.1, subsection 45, Code Supplement
1 2 2007, is amended to read as follows:
1 3 45. "Retail sale" or "sale at retail" means any sale,
1 4 lease, or rental for any purpose other than resale, sublease,
1 5 or subrent. "Retail sale" includes the separately stated
1 6 charge made for automotive refinish repair paint and other
1 7 vehicle body materials that are permanently applied to or
1 8 consumed during a motor vehicle collision repair.

1 9 EXPLANATION

1 10 This bill amends the definition of "retail sale" to include
1 11 paint and vehicle body materials that are applied to or
1 12 consumed during a motor vehicle collision repair if the charge
1 13 for each of these items is separately stated. This would
1 14 result in the purchase of these items by a motor vehicle
1 15 repair shop being exempt from the sales tax because they are
1 16 considered purchased for resale.
1 17 LSB 5624XC 82
1 18 mg/sc/5.1